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The Intelligence Community

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President Reagan inherited in 1981 an intelligence community that had suffered drastic functional changes during the preceding decade and a purge of its senior professionals during the previous four years. As a result, the intelligence community's ability to perform its major functions had deteriorated.

Human intelligence collection had been cut back by leaders who assumed that technical intelligence means could fulfill the needs of the United States. Morever, use of non-governmental identification for agents ("unofficial cover") was almost eliminated. Technical intelligence collectors were not improved to meet new requirements, and they were designed to focus disproportionately on monitoring the minutiae of arms control treaties.

All of this resulted in the U.S. ignoring important Soviet actions, such as anti-ballistic missile preparations. In addition U.S. capability to react to foreign intelligence operations (counterintelligence) had been nearly eliminated. Covert action, when used at all, was reduced to quiet failures and inconsequential successes. Results of intelligence analysis often were presented in consensus documents that reflected the lowest common denominator of opinion in the intelligence community, and often obscured both real issues and real gaps in collection. This deficiency stemmed in part from political decisions within the Carter Administration to withhold and suppress key intelligence data.

While the Reagan Administration has sought to improve intelligence capabilities, the results have been mixed. Morale within the intelligence community, and respect for and confidence in the capabilities of the intelligence agencies at home and abroad are vastly improved. Yet American intelligence continues to fall short of the extensive improvements envisioned by the Reagan Administration in 1981. At least part of the reason for this is that the Administration made only a handful of political appointments to the CIA, not nearly enough to re-invigorate or re-orient the agency. Problems persist.

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Human intelligence, for example, still has an inadequate number of individuals who can pass as non-Americans, or as Americans unconnected with the U.S. government. More carefully planned human intelligence collection, for example, might have provided military and diplomatic leaders a better picture of the terrorist threat in Beirut prior to the 1983 and 1984 bombings of the U.S. Embassy and Marine Corps barracks in that city. More extensive human intelligence collection in Grenada in 1983 might have provided a better estimate of the threat to the government of Maurice Bishop and the size and capabilities of the Cuban force on the island.

Technical collection, on which so much has been spent, continues to be ill-focused. In October 1983, for example, only a few days before the U.S. rescue mission in Grenada, the National Security Council discovered that aerial photographic coverage of the island was significantly out of date, and had to request new coverage immediately.

There also continue to be considerable shortcomings in the detection of new weapons systems and ways that the Soviets are basing those systems, particularly those that appear to be in violation of U.S.-Soviet arms control agreements. Recent government reports of violations that have taken place over a decade (for example, a missile defense battle management radar under construction for some years near Abalakova in Central Siberia, outlawed by the U.S.-Soviet Anti-Ballistic Missile Treaty, was not discovered until July 1983,) raise questions about the usefulness of continued attempts at verification. This is especially so since the use of scarce intelligence resources for that purpose precludes other, more urgent ones.

The Reagan Administration also vowed in 1981 to improve U.S. capabilities to respond to foreign intelligence operations in the U.S. But the intelligence bureacracy has only just begun to bend to direct presidential orders and congressional mandates to take counterintelligence seriously. One success was the cooperation between the Foreign Counterintelligence section of the FBI and non-U.S. intelligence organizations. This led to the arrest in January 1984 of a Norwegian diplomat on charges of spying for the Soviets, particularly during his almost eight years at the United Nations in New York City. The FBI, however, does not have the capability to protect U.S. citizens, government officials and businesses from the great number of political espionage agents and terrorists who have footholds in the U.S. FBI counter-espionage operations must be strengthened, particularly in Washington and New York City, where large numbers of Soviet citizens work.

The quality of analysis has improved marginally primarily because the volume of recent failures has sobered many analysts. The U.S. could not or would not contribute to untangling the plot on the life of

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Pope John Paul II because the CIA lacks both the sources and the will. When Marshal Ogarkov was relieved of his post at the head of the Soviet armed forces—an epochal event in the USSR—American intelligence did not forewarn and could not explain. The production of three new Soviet missiles of the fifth generation surprised U.S. intelligence, which had expected only one. The Soviets built six huge Pechora-class radars before U.S. intelligence figured out they are for anti-ballistic missile battle management.

The Reagan Administration has reemphasized the importance of covert action, the secret, sometimes paramilitary exercise of influence on foreign situations in a manner that is unattributable to, or plausibly deniable by, the U.S. government. There are still considerable problems, however, in the way that the Administration has managed covert action. In particular, covert action has not been integrated with overall policy. Further, some intelligence officials have lobbied against significant prospects both in the interagency process and with the Congress.

Covert action must not be used indiscriminately and should be integrated with overall foreign policy. The Reagan Administration should support covert action as a foreign policy instrument when important U.S. interest are involved and where U.S. direct military involvement is either very difficult or impossible. The Administration should explain to the public and to Congress why covert action may prevent the need for direct U.S. military involvement in certain situations and how it can provide an effective counter to Soviet and Cuban actions.

Since the final product of most intelligence activity is analysis based on a mosaic of collected data, such assessments must be of high quality. To achieve this, the Reagan Administration insisted that intelligence estimates be intellectually honest and accurate, and demanded that conclusions drawn from the analysis be demonstrated by hard evidence. This is in contrast to the often inaccurate and unsubstantiated analysis of the Carter Administration.

There have been positive results. The intelligence community, for example, produced in 1982 an excellent summary of the challenges and dangers posed by Soviet attempts to steal sensitive material and advanced technology products from corporations in the U.S. and their licensees overseas.

There remain several significant problems, however, particularly with the intelligence community's inability to analyze properly and assess a wide range of often conflicting data from many different sources. Pressure within the intelligence community, particularly within the CIA, to achieve a consensus view among the various components of their community, including the Defense Intelligence

Agency (DIA), the military services and the Department of State, substitutes bureaucratic power plays for the honest competition of ideas and thus often produces lower quality intelligence products. There also is not enough input from analysts who specialize in counterintelligence. The principle of competitive analysis by separate teams having equal access to information has not been implemented. Competitive analysis could raise the quality of intelligence products and help to identify whether data that the U.S. receives are genuine or part of the Soviet effort at political and military deception.

THE NEXT FOUR YEARS

In the next four years, the United States must place greater emphasis on the kind of intelligence that would enable foreign policy planners to predict the political and strategic intentions of actual and potential adversaries of the United States. The U.S. must also place greater emphasis on intelligence that provides better knowledge and foresight of potential terrorist activities directed against the United States. Finally, the Administration should develop intelligence that provides U.S. military planners with a better picture of the threat faced by U.S. forces in areas of potential confrontation with either the Soviets or their surrogates in the Third World.

Long-range objectives should focus on five major areas:

Human Intelligence ("HUMINT") Collection

The Administration should seek to hire and train as human intelligence collectors those who can pose as non-Americans or as Americans unconnected with the U.S. government. It should move toward this type of "unofficial cover" and away from placing individuals in positions of "official cover."

The Administration also should improve operational security for human intelligence collectors working for U.S. agencies and thus make their positions more attractive and less vulnerable. This can be done by reducing the number of personnel who have prior and current knowledge of clandestine collection operations; eliminating unjustified access to CIA operational files through Freedom of Information Act law-suits; and improving the expertise and experience of personnel engaged in clandestine collection overseas.

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Technical Collection

It is necessary to improve the physical protection and to ensure the modernization of existing technical collection systems. Their numbers should be increased as well. These systems should provide rapid coverage of wide areas to find targets in quickly changing situations, as well as occasional very high resolution spotting and unexpected collection. Technical collection should be augmented with counterintelligence procedures to deal with advances in Soviet deception techniques.

Counterintelligence (CI)

It is essential to establish strong CI representation in each of the intelligence agencies, particularly the CIA and the National Security Agency. Information from CI sources needs to be weighed against all other intelligence data which the U.S. collects and receives to allow U.S. decision-makers to assess better how an enemy may use knowledge of U.S. collection systems to influence what the U.S. receives.

Covert Action

Covert action should be used, when necessary, as an instrument of U.S. foreign policy, addressed to clearly established objectives of that policy. It is important to present covert action to the public and Congress as an integral part of an explicit, comprehensive policy—one that is designed to succeed. Covert action must be shown as a means of achieving U.S. objectives without direct military intervention.

Analysis and Intelligence Estimates

The Administration should institute competitive analysis that allows the major intelligence agencies and the armed forces to present their own analysis to the President and his top advisors, and reduce the tendency to construct only a consensus analysis. It also ought to subject intelligence analysis to the same "counterintelligence-scrutiny" that should be used to detect potential Soviet deception in U.S. technical collection.

INITIATIVES FOR 1985

1) Educate the public.

The President has both the singular responsibility and the capacity to focus the attention of the American people on the fundamental importance to U.S. national security of a strong intelligence capability, the broad legal guidelines within which it should operate, and the necessary limits on public oversight of these operations. The President ought to make this "constituency-building" for U.S. intelligence an early and urgent priority.

2) Improve Intelligence Community leadership.

The Administration should appoint capable, professional and highly-motivated individuals to top leadership positions in the intelligence community, particularly the CIA. Most important, there is a need to appoint more individuals who share the foreign policy and national security goals of the Administration and who share a common perception of the nature of the Soviet challenge.

3) Grant the DIA Director hiring direction.

The Administration should support enactment of a law designed to give the Director of the Defense Intelligence Agency the same flexibility regarding personnel management in DIA that the other intelligence agencies have. A bill to this effect has already passed the Senate.

4) Tighten the focus of technical intelligence.

Technical collection must move away from the large, *sui generis* systems devoted to arms control that consume so much of its budget. Collection of signals must be much better focused. Imagery must increase low-resolution broad area search, occasional very high resolution spotting, and unexpected collection. New technical systems must pass the test of relevance to political-military operations.

5) Improve human collection techniques.

The proportion of case officers able to pass as private U.S. citizens—or, better, as non-Americans—should increase radically. By their cover such case officers must also have access to social strata not normally reached by official representatives of the U.S. government, i.e. scientific personnel, religious circles, small business, or unobtrusive service workers.

6) Allow the PFIAB presidential access.

The President's Foreign Intelligence Advisory Board (PFIAB), a group of wise, independent and disinterested citizens, is carrying on the honorable tradition established by its predecessors over a generation. It has given the President excellent advice on intelligence. The bureaucracy has successfully stifled PFIAB's initiatives. The President should listen to his Advisory Board.

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7) Establish Competitive Analysis.

To overcome pressure within the intelligence community, particularly within the CIA, to achieve a consensus view among the various components of their community, including the Defense Intelligence Agency (DIA), the military services and the Department of State, new leaders must institute competitive analysis. They also must offer policymakers a wider variety of perspectives in the integration of data from counterintelligence to help solve the question of whether data the U.S. receives is intended to deceive the U.S.

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Mandate for Leadership II

Continuing the Conservative Revolution